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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE  
17 July 1954

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TO: Deputy Director (Intelligence)

SUBJECT: Status report on the Greek, Turkish, Yugoslav military alliance (Balkan Alliance)

1. Current Situation

The meeting of the Greek, Turkish, and Yugoslav foreign ministers at Bled, Yugoslavia to sign a Balkan military alliance, the draft of which was initialed in Athens on 5 July, has been postponed, at Turkey's request. According to a Greek-Turkish-Yugoslav communiqué on 14 July, the preparatory work could not be completed in time. Actually American, British and French diplomatic pressures on Greece and Turkey prompted the postponement.

Although the Yugoslavs agreed to the postponement, they are piqued over the delay which they believe resulted from American influence on Turkey designed to serve an Italian objective. The American embassy in Belgrade reports that the impression among foreign news correspondents is that the Yugoslavs are convinced the pact has gone "sour," that the Western powers, especially the United States, are placing special interests ahead of common interests, and decisions detrimental to Yugoslav interests are being made without consulting Yugoslavia.

A major controversy may have been averted on 12 July when Belgrade reversed its position and agreed to substitute language similar to the North Atlantic Treaty (NAT) for the automatic commitments embodied in Article II of the present draft, and modification of Article VII. Consideration by NATO of the proposed alliance will probably also be postponed.

State Dept. review completed

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2. Key Articles of Draft Alliance as Initialed in Athens

Article II - "The contracting parties agree that all armed aggression against one or several of them...will be considered as an aggression against all contracting parties, who consequently...will individually and collectively come to the aid of the party or parties attacked by immediately taking all required measures, including the use of armed force, which shall have been jointly provided for..."

This article will probably be replaced by terminology similar to Article V of the NAT which provides: "The parties agree that an armed attack against one... shall be considered an attack against all...if such an armed attack occurs, each of them...will assist the party or parties so attacked by taking forthwith... such action as it deems necessary, including the use of armed force..."

Article VII - "The contracting parties, aware that armed aggression against a country other than themselves can by extension...threaten the security and integrity of one or several of the parties, agree as follows:

"If this armed aggression is directed against one or several states with regard to which one or two of the contracting parties have already... assumed contractual obligations...the other contracting party or parties, which may or may not have such contractual obligations toward the country or countries attacked, will by joint agreement...take measures prescribed by the common needs of defense and those which are necessary to oppose the extension of threats in the area of the three contracting parties." (This article is an attempt to balance Yugoslav obligations with those of NATO which would derive from the Balkan alliance.)

3. Greek and Turkish Position Concerning the Draft Alliance

Greece and Turkey regard Article II of the draft as no more "automatic" than Article V of NAT since the original limitation in the phrase "as it deems necessary" has, in their view, been overcome by the development of NATO planning which would "automatically" determine military action.

In deference to Yugoslavia, Turkey appears to have abandoned all hope of bringing Italy into the alliance as an original member. While Turkey wants early signature of the alliance, Ankara has said it will not sign at the cost of jeopardizing its relationship with NATO.

#### 4. Yugoslav Position

Yugoslavia also wants the establishment of the alliance as soon as possible; but, apparently motivated largely by fear of subjecting its troops to Italian leadership and revealing military plans to Italy, it is unwilling to associate formally with NATO. The Yugoslavs are, however, apparently willing to have close co-operation in the military field.

They have agreed, in negotiations subsequent to the Athens meeting, to reword Article II to eliminate its automatic character. They add, however, that Article VII governing their association with NATO should be dropped or weakened.

#### 5. Italian Position

The Italian progovernment press maintains that a Balkan alliance would be meaningless without Italian participation. Italy has consistently urged that the Trieste issue must be settled prior to finalization of the Balkan alliance and has recently made concerted efforts toward this end.

#### 6. American, British and French Position

Parts of the draft alliance--Article II particularly--do not meet the requirements of the three major NATO powers. Diplomatic approaches by these countries are being made in Athens and Ankara; no further direct demarches to Belgrade are considered advisable at this time.

These powers consider presentation of an unresolved text of the alliance to the North Atlantic Council (NAC) to be premature and prejudicial. They have recommended that points at issue be reconciled prior to formal presentation.

#### 7. Canada May Oppose Alliance in NAC

Unexpected opposition to the alliance was voiced by Canadian foreign minister Pearson on 13 July. He regards the Ankara pact as cutting across NATO lines and theoretically providing for Canadian defense of Yugoslavia if the latter is attacked.

8. Presentation of Alliance to NAC

The subject was approached quite unexpectedly in the 30 June meeting of the NAC when representatives of the Scandinavian countries made inquiries. Substantive matters were not discussed. The tentative schedule called for statements to be made to the Council by the Greek and Turkish representatives on 16 July.

The British Foreign Office has pointed out the importance of the Greeks and Turks being able to answer satisfactorily questions which will most certainly be asked. The United States and France have also pointed out that they can make supporting statements in NAC only if the terms of the alliance seem likely to suit all NATO members.

HUNTINGTON D. SHELDON  
Assistant Director  
Current Intelligence

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